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SUBJECT: FUNDING LEVEL FOR IRRIGATION PROJECTS		

STATEMENT OF POLICY:

It is the policy of the Board for Financing Water Projects to provide a reasonable level of support for water conservation projects associated with irrigated agriculture, recognizing both the important economic role of agriculture in rural Nevada communities and other competing needs for available funds.

PURPOSE:

To establish a policy for determining the amount of grant funds the Board for Financing Water Projects can award for irrigation projects and a reasonable level of required matching funds.

REFERENCE:

NRS 349.981 1(b) provides that water conservation improvements related to irrigation systems are eligible to receive grant funds awarded by the Board for Financing Water Projects. Eligibility for these water conservation projects was included in AB 237, adopted by the 1999 Nevada Legislature. This bill also increased the bonding authority for the grants program from \$40 million to \$50 million. NRS 349.381 2 gives the Board sole discretion of who is to receive a grant.

BOARD POLICY:

1. It is the policy of the Board to give preference to grant applications for projects necessary to comply with safe drinking water regulations over those applications for other purposes including water conservation projects related to irrigation systems. In addition, Board staff are directed to give similar preference when budgeting projected biennial bond fund needs in the event staff are asked by the Department of Administration or State Treasurer to reduce AB198 projected bond fund needs due to other competing needs for State capital.
2. The Board may fund up to 85% of eligible project costs for irrigation projects deemed eligible for grant funding pursuant to NRS 349.981 when the applicant has shown they are unable to fund the project or obtain alternate funding from other sources. The following scale shall be used to determine the grant scale and amount of local match:

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	POINTS	MAX PTS
<u>I. Water Conservation.</u>		
A. Project will improve the efficiency of the overall irrigation system through:		
1. piping or lining of irrigation canals;	5	5
2. recovery or recycling of wastewater or tailwater;	5	5
3. measurement or metering of the use of water;	5	5
4. improvements in irrigation system operations.	5	5
B. Project will conserve water and contribute to downstream uses and users.	5	5
C. Impact of the conservation project on groundwater recharge has been adequately evaluated.	5	5
<u>II. Finance and Planning.</u>		
A. Applicant has implemented a facility maintenance plan;	5	5
B. Applicant has developed a long term capital improvement plan;	5	5
C. User fees support a reasonable capital reserve fund.	10	10
<u>III. System Capacity and Economic Benefit.</u>		
A. Number of system users:		
more than 200	5	5
70 to 200	3	
10 to 70	1	
B. Irrigated acreage:		
more than 20,000 acres	5	5
5,000 to 20,000 acres	3	
less than 5,000 acres	1	
C. Storage capacity under control of the grantee:		
more than 50,000 ac-ft	5	5
10,000 to 50,000 ac-ft	3	
less than 10,000 ac-ft	1	
D. Economic benefit:		
Project results in availability of new water resource	5	5
Project restores irrigation storage and diversion systems	3	
Project maintains existing irrigation systems	1	

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IV. <u>Other benefits of the system and/or project.</u>		
A. Improves flood control for downstream population centers	10	10
B. Provides significant public recreational opportunities	5	5
C. Enhances tourism	5	5
D. Provides public recreational opportunities related to a fishery	5	5
V. <u>Board evaluation of project value and need.</u>	5	5
VI. <u>Deductions.</u>		
A. Applicant did not perform adequately on prior grant project as demonstrated by preventable project delays and cost over-runs.	-20	
B. Applicant failed to submit required financial and progress reports for prior grant project.	-10	
	MAX. PTS	100

MAXIMUM POINTS ARE 100

MAXIMUM GRANT AMOUNT IS 85% OF ELIGIBLE PROJECT COSTS

Number of points _____ /3.58 = _____ + 57.1 = Grant Percent _____ %

Grant Amount = ____% x eligible project costs of \$ _____ = a grant of \$ _____

Eligible Project Costs of \$ _____ less the grant amount of \$ _____ =

the amount of matching money required from other sources, \$ _____